

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 DODE-00 PM-04 H-01
INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02
SS-15 USIA-06 MCT-01 SY-05 COME-00 EB-08 FRB-03
TRSE-00 XMB-02 OPIC-03 LAB-04 SIL-01 OMB-01 ITC-01
AGRE-00 STR-04 /094 W

-----071352Z 101073 /42

P R 062144Z APR 77

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC PRIORITY 867

INFO AMEMBASSY CARACAS

USSOUTHCOM

AMCONSUL MEDELLIN

AMCONSUL CALI

AMCONSUL BARRANQUILLA

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E.O. 11652: N/A

TAGS: PINS, ECON, CO

SUBJECT: THE WEEK IN COLOMBIA

1. SUMMARY. AN ULTIMATUM BY BOGOTA'S MAYOR TO OSPINA-PARTRANA WING POLITICAL APOINTEES TO BE LOYAL OR GET OUT THREATENED ANY REMIAINING ROLE THIS WING MIGHT HAVE IN THE GOVERNMENT; AND ALLEGED SCANDALS CONCERNING PRESIDENT LOPEZ' SONS CONTINUED TO CLOUD THE POLITICAL SCENE. THE ANNOUNCEMENT OF A 4.1 PERCENT COST OF LIVING INCREASE FOR MARCH BROUGHT FORTH NEW GOC COMMITMENTS TO CONTROL PRICES AS WELL AS THE THREAT OF JOINT TRADE UNION ACTION ON MAY 1 TO PROTEST DECREASING REAL WAGES. KIDNAPPINGS CONTINUED TO PLAGUE THE NATION EVEN AS THE MILITARY TOOK A HARD LINE ON DEALING WITH GUERRILLAS INVOLVED IN SUCH ACTIVITIES.
END SUMMARY.

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2. POLITICAL CRISIS THREATENS OSPINA-PASTRANA TIES WITH GOVERNMENT. BOGOTA MAYOR BERNARD GAITAN MAHECHA ON APRIL 4 ISSUED AN ULTIMATUM TO THE OSPINA-PASTRANA POLITICAL APPOINTEES IN THE BOGOTA GOVERNMENT TO EITHER SUPPORT THE GOVERNMENT OR GET OUT. THE MAYOR'S ACTION WAS PRECIPITATED BY A BOGOTA CITY COUNCIL VOTE APRIL 2 WHICH CALLED ON PRESIDENT LOPEZ TO SUBMIT HIS BANK STATEMENTS FOR REVIEW. THE MOTION, MADE

BY LEFT WING COUNCIL MEMBERS, WAS PASSED WITH THE SUPPORT OF PARTRANISTAS ON THE COUNCIL. THE MAYOR, CALLING THIS ACTION BEYOND THE RESPONSIBILITY OF THE COUNCIL, THEN REQUESTED THE RESIDNATIONS OF ALL CITY GOVERNMENT POLITICAL APPOINTEES SO THAT THEY MIGHT CONSIDER WHETHER THEY WERE GOING TO BE LOYAL GOVERNMENT SUPPORTERS OR OPPOSITIONISTS. THE OSPINA-PASTRANA GROUP, WHICH HAS BEEN LEFT OUT OF NATIONAL GOVERNMENT MINISTERIAL LEVEL APPOINTMENTS, HAS PARTICIPATED IN DEPARTMENTAL AND MUNICIPAL GOVERNMENTS; AND THIS CRISIS COULD THREATEN EVEN THIS RATHER SLIM ROLE IN GOVERNMENTAL ACTIVITIES. MEANWHILE, THE EASTER WEEK LULL HAS NOT SEEN ANY REAL DECREASE IN THE POLITICAL ACTIVITIES OF THE VARIOUS PRESIDENTIAL HOPEFULS, AL OF WHOM ARE USING THIS PERIOD TO GARNER MORE SUPPORT IN VARIOUS AREAS OF THE COUNTRY.

3. SCANDALS SURROUNDING THE PRESIDENT'S SONS CONTINUE. THE ALLEGED IMPROPRIETIES SURROUNDING PRESIDENT LOPEZ' SONS CONTINUED TO CAPTURE HEADLINES. THE ATTORNEY GENERAL'S OFFICE OPENED DISCIPLINARY HEARINGS ON THE CONTRACT SIGNED BY FELIPE LOPEZ WITH THE NATIONAL FEDERATION OF COFFEE GROWERS (BOGOTA 2832), AS WELL AS THE ROLE THE MINISTER OF ECONOMIC DEVELOPMENT MAY HAVE HAD IN THIS CONTRACT. A PRELIMINARY REPORT TO THE ATTORNEY GENERAL'S OFFICE HELD THAT THE CONTRACT WAS PROVAVLY ILL-ADVISED, AND NOTED THAT THE FEE PAID MIGHT HAVE TO BE RETURNED. NEWS REPORTS INDICATE THAT THERE WERE APPARENTLY TWO CONFLICTING LEGAL OPINIONS GIVEN TO LOPEZ' SON BEFORE HE SIGNED THE CONTRACT, AND HE PICKED THE ONE MOST FAVORABLE TO HIM. MEANWHILE, THE PRESIDENT'S OTHER SON HAS PUBLICLY DEFENDED HIS ACQUISITION OF HIS RANCH, LIMITED OFFICIAL USE

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NOTING THAT HIS ACTIONS WERE LEGAL AND THAT THE CONTROVERSY OVER HIS ACTIONS IS ONLY POLITICAL PLOY DESIGNED TO ATTACK HIS FATHER.

4. ADDITIONAL ANTI-INFLATION MEASURES. THE MARCH INCREASE IN THE COST OF LIVING INDEX WAS 4.1 PERCENT FOR WORKERS AND 3.9 PERCENT FOR EMPLOYEES. THE MARCH INCREASE IS A SEASONALLY ADJUSTED ANNUAL RATE OF OVER 26 PERCENT AND THE INCREASE FOR THE FIRST QUARTER, SEASONALLY ADJUSTED, IS ALMOST A 27 PERCENT ANNUAL RATE. IN RESPONSE TO THE CONTINUIN INCREASE IN INFLATION THE GOVERNMENT ANNOUNCED A NEW SERIES OF MEASURES THAT INCLUDE FURTHER TARIFF REDUCTIONS, EXPORT CONTROLS ON RICE, MEAT AND TIRES, AND THE ELIMINATION OF DISCOUNT FACILITIES FOR STORAGE OF CERTAIN STAPLES. THE MINISTER OF FINANCE IS ALSO TALKING ABOUT ADDITIONAL PRICE CONTROLS AND A GREATER ROLE FOR COMMODITY PRICE STABILIZATION ACTIVITIES. THE NATION'S VARIOUS TRADE UNION CONFEDERATIONS ARE USING THESE FIGURES AS A FOCAL POINT FOR CALLS FOR JOINT EFFORTS ON MAY 1 (LABOR DAY) TO PROTEST THE ESCALATING COST OF

LIVINGM CMNCERN OVER DECREASING REAL WAGES COULD BRING ABOUT
THE FIRST COMBINED LABOR DAY PROTEST BY DEMOCRATIC AND LEFT
WING UNIONS IN COLOMBIA.
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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BOGOTA03194
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770121-0865
Format: TEL
From: BOGOTA
Handling Restrictions: n/a
Image Path:
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Litigation History:
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Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2886822
Secure: OPEN
Status: NATIVE
Subject: THE WEEK IN COLOMBIA
TAGS: PINS, ECON, CO
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/112c54a9-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009